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Regional Expert Group Meeting on
Human Resources Development in Industrial
Maintenance in Africa Preparatory to the
Second Consultation on the Training of
Industrial Manpower

Nairobi, Kenya, 23-27 June 1986

REPORT*

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PREFACE

The System of Consultations

The Second General Conference of the United Nations Industrial Development Organization (UNIDO), held at Lima, Peru, in March 1975, recommended that UNIDO should include among its activities a system of continuing consultations between developed and developing countries with the object of raising the share of developing countries in world industrial output through increased international co-operation[1/]. The General Assembly, at its seventh special session in September 1985, endorsed the recommendation and requested UNIDO to implement it under the guidance of the Industrial Development Board.

In May 1980, the Industrial Development Board decided to establish the System of Consultations on a permanent basis, and in May 1982 it adopted the rules of procedures[2/] according to which the System of Consultations was to operate, including its principles, objectives and characteristics, notably:

(a) The System of Consultations should be an instrument through which UNIDO would serve as a forum for developed and developing countries in their contacts and consultations directed towards the industrialization of developing countries;[3/]

(b) Consultations would also permit negotiations among interested parties at their request, at the same time as or after consultations;[4/]

(c) Participants of each member country should include officials of Governments as well as representatives of industry, labour, consumer groups and others, as deemed appropriate by each Government;[5/]

(d) Final reports of the Consultations should include such conclusions and recommendations as were agreed upon by consensus by the participants: the reports should also include other significant views expressed during the discussions.[6/]

1/ Report of the Second General Conference of the United Nations Industrial Development Organization (ID/CONF.3/31), Chap. IV, "The Lima Declaration and Plan of Action on Industrial Development and Co-operation", para.66.

2/ See Draft rules of procedure for the System of Consultations (ID/B/258), annex.

3/ Official Records of the General Assembly, Thirty-fifth session, Supplement No. 16 (A/35/16), Vol. II, para. 152(a).

4/ Ibid., para. 151(b)

5/ Ibid., para. 152

6/ Ibid., Thirty-second session, Supplement No. 16 (A/32/16), para. 163.

INTRODUCTION

First Consultation on Training of Industrial Manpower

The First Consultation on Training of Industrial Manpower[1/] which was held in Stuttgart, Federal Republic of Germany, 22-26 November 1982, recommended inter alia that UNIDO should, through inter-secretariat consultations, co-ordinate with other UN agencies (especially ILO and UNESCO) and other established mechanisms at headquarters and country levels, strengthen its capacity and programmes to assist developing countries in building up coherent and comprehensive training systems through the development of adequate methodologies for the determination of manpower and training needs, for training of trainers, specialists, managers, supervisors and other cadres on a permanent basis, and for the collection and dissemination of information relevant to industrial training.

Second Consultation on Training of Industrial Manpower

During its 19th session in May 1985, the UNIDO Board defined the programme of Consultations for the biennium 86/87, and gave the mandate to the Organization to carry out the necessary preparatory activities for the Second Consultation on the Training of Industrial Manpower.

The Second Consultation on the Training of Industrial Manpower is expected to be convened in Paris, France, in September 1987.

The objectives of the Second Consultation are:

- To promote the development of human resources as a key factor for the futherance and mastery of the industrialization process and technological development in developing countries.

- To consider selected and specific issues, with the aim of adopting action-oriented programmes of a practical character, for the assistance and guidance of member states towards the development of human resources for industrialization.

- To strengthen the role of UNIDO as a catalyst and an instrument in the development of human resources for industry through the stimulation of practical and co-ordinated action between developed and developing countries and developing countries themselves, UN Organizations, regional and other institutions.

1/ See report ID/294

Preparations for the Second Consultation on Training of Industrial Manpower

The UNIDO Secretariat determined a line of action for the Second Consultation on experience gained from the First Consultation, on the various recommendations on industrial training addressed to it in various meetings, on its mandate as a specialized Agency where industrial training continues to be accorded priority consideration, and on close contacts with other relevant UN agencies, especially ILO and UNESCO. The orientation for the Second Consultation4/ was discussed at the High-Level Expert Group Meeting which met in Paris, from 13-16 January 1986 8/, with the participation of various experts from Member States and key international/governmental organizations (ILO, World Bank, OECD, EEC, etc...). The meeting agreed on the two issues proposed by the Secretariat:

Issue A: Human Resources Development for Industrial Maintenance

Issue B: Human Resources Development for Mastering Technological Changes in Industry.

The meeting stressed the importance of convening a specific expert group meeting on Issue A related to African Region, in view of the priority importance of the subject in Africa and of the more action-oriented character of the work at a regional level. A Second Regional Meeting was suggested to consider Issue B in more detail, funds permitting.

The meeting identified 6 priority areas for action within the scope of Issue A, namely, human resources development with respect to:

- maintenance policy and strategy;
- training policy for maintenance;
- negotiation and acquisition of capital goods;
- organization and methods of maintenance;
- technical documentation on maintenance;
- spare parts (manufacture and management).

8/ See Document ID/WG.460/4 (Paris Report).

Preparation for the Regional Expert Group Meeting on Human Resources Development in industrial maintenance in Africa

In preparation for the meeting under review the under-mentioned two technical papers were prepared by UNIDO consultants:

"Guide for Action in the Field of Human Resources Development for Industrial Maintenance in Africa"9/.

"Investment in Maintenance: Economic Stakes and Possible Strategies"10/.

Furthermore, an innovative approach was adopted for this meeting in that all experts from African countries have been asked to prepare a national case study on human resources development in industrial maintenance in their individual countries in accordance with a guide prepared by the Secretariat. (See Annex No. 3). This approach follows the reasoning that it is national experts who are better aware of the problems facing their particular countries and what solutions may be propounded to overcome them. It also shows the faith of UNIDO in the capability of experts from developing countries.

ILO, UNESCO and UNIDO collaborated in the preparation for the meeting.

9/ Consultant Mr. P. De Groote (Belgium)
10/ Consultant Mr. C. Pichot (France)

CONCLUSIONS AND RECOMMENDATIONS

The following conclusions and recommendations were adopted by the meeting:

ISSUE A: NATIONAL STRATEGY FOR MAINTENANCE

A. Conclusions

1. Industrial maintenance is a key factor in the industralization process of African countries. In spite of the fact that the problem has been known and discussed for many years, the lack of or poor industrial maintenance continues to constitute a major obstacle in industrial development, and indeed, the problem is growing.

2. The awareness of the importance of industrial maintenance has been growing mainly among technical personnel, but the key decision-makers in Government and industry have not been sensitized to a sufficient extent to make them take tangible positive action. In view of this, the right policies and strategies at Government and enterprise levels have not been formulated and established in the majority of African countries.

3. There continues to be poor coordination among actors in the educational and training fields, with regard to human resources development for industrual maintenance. The mis-match between education and training and the needs of industry in the field of industrial maintenance which has featured for long in discussions, has not been rectified.

4. It is noted that in certain countries, non-governmental organizations such as Associations of Maintenance Engineers, Associations of Manufacturers, etc are contributing towards the improvement of maintenance in Africa.

B. Recommendations

Preamble to recommendations:

The participants appreciate that the problem of maintenance permeates all sectors of the economy of developing countries and that maintenance policies and strategies should be formulated to encompass all productive sectors. However, in view of the UNIDO consultation in the training of industrial manpower, they are constrained to refer only to industrial maintenance. Therefore, the participants propose that the following two recommendations apply on a multi-sectoral basis, but they concentrate their action-oriented proposals only to the industrial sector.

I. Policy recommendations to Governments and other concerned Institutions/Actors

1. Establish or strengthen on a priority basis a national maintenance strategy including education and training in order to optimise the efficiency of capital investment through a real increase in the availability of capital equipment through better maintenance and conservation methods at a total minimum cost. This strategy should have an integrated approach through cohesive actions in various economic sectors and levels in the following fields:

- acquisition, design and use of capital equipment;
- organization and methods of maintenance;
- material means (technical documentation, spare parts, tools, etc);
- financial means;
- human resources;
- socio-economic and cultural environment.

2. Set up a National Maintenance Body as an instrument to implement the strategy in 1. above. The functions of this Body may include:

- advising Government on maintenance strategy;
- rendering technical assistance and consultancy services in maintenance;
- organizing training activities;
- coordinating the activities of existing structures such as national education system and professional training facilities within or outside enterprises;
- ensuring the matching of educational programmes with the needs of industry in industrial maintenance;
- creating awareness of policy-makers, industrial managers, maintenance personnel and the public at large on the importance of maintenance in economic and industrial development.

3. Set up suitable training programmes in order to develop human resources for the formulation of policies and strategies in maintenance, for the setting up and management of the National Maintenance Body, and for executing all its functions.

4. Encourage the creation of national fora (associations, etc) to strengthen human resources development for maintenance.

II. International cooperation

5. The exchange of experience among African countries should be promoted through the establishment of a regional centre. In this regard, since ARCEDEM's activities encompass the industrial sector for the whole of Africa, due consideration be given to the establishment of this centre within its complex.

III. UNIDO Technical Assistance

6. Provide technical assistance to Governments in the implementation of Recommendations Nos: 1, 2 and 3.

7. Consider the possibility of financing of Recommendation No. 4 through funds available under its IDDA programme, failing which, to endeavour to secure suitable financing from donors.

8. Organize regular meetings of panel of experts to monitor industrial maintenance activities.

IV. Cooperation between UNIDO and Governmental and Non-Governmental Organizations

9. UN inter-agency activities with regard to maintenance training should be strengthened. UNIDO should initiate the formation of a UN inter-agency Task Force for maintenance to coordinate and promote actions, UNIDO taking the catalyctic role.

10. UNIDO should promote the exchange of maintenance personnel between similar factories in developing countries, each company paying the expenses of training in its own country.

11. With the support of the respective governments, direct cooperation should be developed between UNIDO and non-governmental organizations engaged in activities to improve maintenance such as associations of maintenance professionals, associations of manufacturers and companies offering maintenance services.

ISSUE 8: TRAINING POLICY AND MAINTENANCE

A. Conclusions

1. Effective maintenance depends on training - in two senses: technical competence, and a correct attitude: "the spirit of maintenance".

2. In many African countries at the present time there is a mis-match between training resources for maintenance, and the needs of the users in industry.

(i) Despite great improvements in recent years there is still too little good quality technical education in relation to general education to provide the necessary training base for industry;

(ii) Alternatively (or in addition) the social status of technical education in relation to academic education is still low in the eyes of the public.

3. Even when sufficient technical education and training exists it does not always satisfy the needs of industry:

(i) At vocational training level because skills are not systematically combined together so as to produce specialized maintenance workers;

(ii) At higher education level because the changing technological needs of industry are not reflected in the syllabuses taught, which in some cases may be many years behind the times.

4. The preparation of an effective maintenance worker or engineer must always have two stages:

(i) Basic technical education and training, and in addition,

(ii) Specific knowledge and experience of machines and processes, which can only be gained on the job, under qualified supervision, after leaving the general training centre or university.

In the case of a maintenance engineer or supervisor there is a further need for training in the management of maintenance, which requires knowledge of costing and supplies control as well as of technology.

5. Depsite the fact that fully trained maintenance workers and engineers must in general be more versatile and technically experienced, in the way described, it appears that in many cases their status as maintenance personnel is actually lower than comparable status in other departments. This reduces their effectiveness, and creates difficulties in retaining their services after they have been trained.

6. While many experiences on these subjects are negative, there are countries in Africa which have made better progress and whose examples could be copied by others. For example, the new national education policy of Kenya not only lays heavy emphasis on the importance of technical and vocational education, but also takes into account the need to give children and young people actual materials to work with, in order to familiarize themselves in practice with what they learn about in school. Similarly in Côte d'Ivoire a positive effort is made to ensure a match between the syllabus taught in schools and colleges and the needs of industry.

7. Taking into account the fore-going situation it was considered that the national human resources development policy of each developing country (depending on its particular circumstances) should therefore put emphasis on the following:

- The country's total needs for trained maintenance personnel, at all levels from skilled workers to engineers. These needs should be quantified, and at each level appropriate education and training should be planned and provided, to overcome the mis-matches presently experienced by industry, as described above;.
- Standards of maintenance are generally low on account of inadequate knowledge and skill of workers already in employment. Therefore the national human resources development policy should also provide for in-service training of older workers, (taking into account that different training methods may be needed for this age group);
- Special attention must be given to certain maintenance skills of critical importance to industry, including electronics and instrumentation;

- Changing technology means that maintenance of modern machines is becoming more and more a matter of knowledge, and less of manual skills. Especially in electronically controlled machinery this makes fault diagnosis a matter of intellectual logic, and there is a need for improved methods of training maintenance workers and technicians.

8. Accordingly training and sensitization for maintenance is required at all of the following levels:

- Operators and skilled workers;
- Technicians and supervisors;
- Engineers and managers;
- Government policy-makers
- The public (since improvement in national maintenance standards requires a "spirit of maintenance" on the part of the entire population).

9. Effective training for maintenance on a national scale will require coordinated effort on the part of all of the following:

- Schools, colleges, polytechnics and universities;
- The national industrial training system;
- Management training organizations;
- Industry itself;
- Maintenance experts and their organizations.

10. As regards training methods, maintenance training should emphasise:

- Practical training in real conditions, or simulation;
- The importance of training for the management of maintenance;
- The value of preventive maintenance in order to reduce the need for repairs;
- Tutor-aided learning (as introduced by UNIDO).

Training for maintenance should take advantage of modern methods whenever suitable, both to help provide the increased volume of training which will be needed, and to cope with the demands of training for new technology.

11. Maintenance training requires specialized trainers at each level. Special importance should be accorded to supervisors, who frequently need to act as on-the-job instructors of junior staff. In this respect "Guided Transmission Training", as introduced in the ILO project in Ethiopia, can be a valuable model.

12. Evaluation of maintenance training must be carried out to monitor progress. This should be the responsiblity of the national maintenance training coordinating body, and should include:

- Testing and certification, to assure standards, enhance the status of maintenance workers, and help to reward them appropriately;
- Performance indicators should whenever possible be related to actual cash savings resulting form improved maintenance. The ILO's project in Ethiopia, the UNIDO project in Madagascar and other UNIDO training activities have shown that this approach is very acceptable to employers.

13. A number of African countries represented at the meeting have made good progress with some of the foregoing requirements for effective maintenance training, and it is highly desirable that information about these successful ventures be made available to other African countries, especially those in the same sub-region. Training for small industries and the informal sector has proved particularly difficult. Some countries have made a certain amount of progress, e.g. Cameroon, Kenya and Madagascar, and exchange of information about these efforts is highly desirable.

14. The provision of adequate finance for training for maintenance is a subject of concern. The possibility of a levy on industry for maintenance training appeared to command support, provided that the whole amount raised was used solely for this purpose. Cost of maintenance should be regarded as an investment rather than a drain. In this respect the ILO in its project in Ethiopia and UNIDO's project in Madagascar as well as other projects (bilateral and multilateral) have been able to present maintenance as a source of profit and potential saving.

15. Attention was drawn to the special importance of small and medium scale industry, and especially the informal sector. In general not enough industrial training support was given to small and medium-sized firms, and none at all to the informal sector. The latter is especially important, because:

- Informal sector workers provide many maintenance services, often of an unsatisfactory standard due to lack of knowledge and skill;
- In many African countries the informal sector constitutes the greatest part of national economic activity, and is therefore a very large potential resource including for improved maintenance - which is at present neglected.

Madagascar and Cameroon demonstrated the capability of assisting small industries to develop the manufacture of spare parts.

B. Recommendations

I. Policy recommendations to Governments and other concerned Institutions/Actors

1. National governments should adopt a national maintenance training policy, taking into account the points listed in Conclusion No. 7 above, and giving special attention to small and medium-size industry, and to the informal sector.

2. Each government should consider setting up a suitable national maintenance training coordinating body, if possible on a tripartite basis, representing government, employers and employees.

3. In relation to the levels of people to be trained (Conclusion No. 8), and who will carry out this training (Conclusion No. 9), the national maintenance training coordinating body should ensure that the national education and training systems can indeed provide all that is required, and that all the agencies concerned are aware of their responsibilities.

4. Regarding the national education system which has a vital part to play in training for maintenance, there should be a regular exchange of staff between university and industry; both to give students the benefit of being taught by actual practitioners from industry, and to give university staff the advantage of up-dating themselves technologically.

5. The national industrial training system must also make specific provision for training for maintenance. This requires that:

- Maintenance topics must be included in all training syllabuses, since there can be no industry without maintenance;
- Maintenance should be treated as worthy of recognition as a distinct and important occupation, at skilled worker level, at technician level, and at engineer level. There is much value in establishing and supporting a professional association of maintenance engineers.

II. International Cooperation

6. As set out in Conclusion No. 13 above, there should be exchange of information relating to training for industrial maintenance, in order to enable African countries to:

- Learn from each others' successes;
- Make use of each other facilities in suitable cases;
- Avoid wasteful duplication.

7. Technical cooperation between African countries should be encouraged and facilitated through:

- Study visits;
- Exchange of trainees;
- All other practicable activities in the field of training for industrial maintenance, such as cooperation between enterprises in different countries, both in the public and private sectors.

8. UNIDO should help to identify and to implement actions responding to paragraph Nos. 6 and 7 above.

III. UNIDO Technical Assistance

9. UNIDO should complete the analysis of the Papers prepared by the participants for the Nairobi meeting, in order to produce an annotated comparative study, drawing attention to significant similarities and differences, for the guidance of African countries and the Industrial Development Decade for Africa.

10. As the most effective method of initiating national action in support of training for industrial maintenance, UNIDO should assist in the promotion of maintenance training and training infrastructures in Africa, and should aim at assisting in the implementation of at least one project/pilot project in each country or sub-region. The pilot project would be a nucleus from which further action would flow, under the control and guidance of the national maintenance training coordinating body.

ISSUE C: NEGOTIATION AND ACQUISITION OF CAPITAL GOODS

A. Conclusions

1. The maintenance function does not start from the shop floor but indeed from the time of investment studies, project design, negotiation and acquisition of capital goods, project implementation, commissioning and operation. The stage of negotiation and acquisition of capital goods is of major importance in this process. The majority of African countries do not have properly trained negotiators to ensure that the maintenance function is well entrenched in contracts for the acquisition of capital goods.

2. African countries stand to benefit greatly from the exchange of experience in this sphere.

3. The role of UNIDO and the other UN organizations in training negotiators for the acquisition of capital goods in general and for ensuring that the maintenance function is well catered for in contracts is of primary importance in assisting African countries in their industrial development process.

I. Policy Recommendations to Governments and Other Concerned Institutions/Actors

1. Define a national strategy for negotiation and purchase of equipment as follows:

- Provide for the maintenance function at the pre-investment study stage;
- Include a maintenance services element (technical documentation, after-sales service, spare parts, training) in every equipment purchasing contract and provide for separate budgets;
- Select as plant desinger an engineering company with experience in similar countries.
- Open a dialogue between the user, purchaser and supplier;
- Involve maintenance specialists in early stage of the project;
- Provide separate terms of reference for technical documentation, spare parts and training;
- Set up the maintenance function at a sufficiently early stage during project implementation;
- Set up a unit to supervise the maintenance services provided by the supplier/builder.

II. UNIDO Technical Assistance

2. Organize an annual regional seminar for:

- Planning officers in the public authorities responsible for the purchase of equipment;
- Maintenance officers involved in the purchase of equipment or project implementation.

The seminar should deal with the following subjects:

- The maintenance function at the pre-investment study stage;
- The definition of a national equipment purchasing strategy;
- The formulation of specific terms of reference for the following services:
  - Technical documentation;
  - Spare parts;
  - Training of maintenance staff.
- The establishment of contractual clauses concerning:
  - The design of equipment with a view to its maintainability;
  - The legal aspects of the maintenance function;
  - After-sales service and technical assistance;
  - The choice of technology;
  - Comparative anaylsis of tenders;
  - Plant construction strategy;
  - Methodology for the supervision of a project and the maintenance services of the supplier
  - The standardization of equipment;
  - Preparation of the maintenance function during construction;
  - Determination of the share of the installations to be manufactured locally.

3. Promote a pilot rehabilitation or construction project for the practical application of the subject areas mentioned above through:

- Missions to identify a particular priority area in various countries;
- Use of the staff so trained in the implementation of the project.

4. Organize meetings of a regional working group (every year) to evaluate and exchange practical experiences in the above project and to improve, if need be, the programme of the regional seminar.

5. Assist developing countries in the preparation of equipment, purchasing contracts and in negotiations;

6. Define specifications in conformity with above-mentioned recommendations for the acquisition of capital goods under its care which are destined to aid programmes; apply these specifications within the various sections of UNIDO.

III. Cooperation between UNIDO and other Governmental and Non-Governmental Organizations

7. Invite other international institutions to adopt a common policy in the acquisition of capital goods.

8. Put at the disposal of Institutes of Higher Technical Formation all documents pertaining to pilot projects initiated by UNIDO and other UN agencies in some African countries concerning maintenance, training, manufacturing and management of spare parts etc.

ISSUE D: ORGANIZATION AND MAINTENANCE METHODS

A. Conclusions

1. Big enterprises (public and private) have maintenance departments in their organization charts, yet there is a lot to be done in the area of methods.

2. The problem is most serious in small and medium enterprises where in some instances maintenance units do not even exist. Even where they exist they are subordinated to production and therefore maintenance suffers.

3. During project preparation phase insufficient attention is given to the maintenance function which then does not feature properly in the project design, acquisition of equipment, plant construction, erection and operation.

4. The prevailing maintenance method is repair after breakdown.

5. Maintenance cost cannot be monitored because of lack of a data collection system and the inadequacy of the accounting system for that purpose.

6. The optimum amount of preventive and corrective maintenance to be performed should be based on cost data collected for the purpose.

7. Preventive maintenance can be facilitated with increased application of condition monitoring devices.

8. Computerization in maintenance management is good, but one has to work very hard in establishing a manual system beforehand.

9. During organization for maintenance one has to keep in mind the organization of facilities such as workshops and spare parts stores.

10. The nature of modern technology requires the need of multi-skilled maintenance crew (electrical, mechanical, pneumatic and electronic).

B. Recommendations

I. Policy Recommendations to Governments, other concerned Institutions/Actors

1. Create awareness of plant managers and production managers on the philosophy and importance of maintenance for production, and that maintenance is an investment and not a cost centre.

2. Establish data bank on maintenance parameters for inter-firm comparison, (maintenance costs, frequency of breakdowns, availability, etc).

3. Establish incentive systems for maintenance workers.

4. Consider granting facilities to support small industries providing maintenance and repair services, including the reduction of customs duties for equipment bought for maintenance workshops.

5. Encourage enterprises to develop techniques and methods of maintenance such as:

- diagnosis of faults and breakdowns;
- analyses of oils and greases;
- reclamation by metalization, thick electrolytic filling (chrome, nickel).

6. Promote the utilization of these methods through the elaboration of specific training methods.

7. Organize national and regional seminars to train personnel in the above-mentioned methods.

II. UNIDO Technical Assistance

8. Prepare module maintenance manuals for trainers of maintenance management.

9. Promote regional cooperation by creating means of spreading existing experience in maintenance management to other African countries such as that of the Ethiopian Management Institute (developed with the assistance of ILO) and other similar institutions such as those in Morocco, Cameroon and Madagascar.

ISSUE E: SPARE PARTS

A. Conclusions

1. There is potential for local spare parts manufacture in a number of African countries and manufacturer of small and simple spare parts is already taking place. The scope for manufacture of high precision spare parts and spare parts requiring higher technology of manufacture is low.

2. Certain spare parts being locally manufactured are of lower quality mainly because of poor alternative raw materials being used, low manufacturing skills, lack of requisite tooling, lack of metallurgical and physical analysis facilities and also because spare parts are being manufactured without use of engineering drawings at shop floor level. In a number of cases detailed manufacturing drawings for imported equipment are not asked for or are not supplied.

3. Spare parts locally produced are usually more expensive than imported spares mainly because of problems of economies of scale. Most spares are produced as single units instead of series production and this mode of production results in higher costs of production and hence higher prices. There is also generally some delay in meeting customer demands. All the same, entry into local manufacture of spare parts assists in raising equipment production availability and it creates a good basis for entry into capital goods industry.

4. Some degree of reconditioning or reclamation of spare parts, particularly heavy spare parts, is being done through welding and re-machining. Even in this area there is the problem of quality because of know-how and proper materials and equipment for reconditioning.

5. Lack of standardization of imported equipment for similar application makes entry into series production of spare parts even more difficult. Diversification of range of motor vehicle spare parts that can be locally manufactured is difficult in many countries because of the large number of motor vehicle types and models being imported by African countries.

6. Lack of local capabilities to design and redesign spare parts is a serious constraint in African countries.

7. There is wrong and unnecessary ordering of spare parts. For new projects spare parts that should be initially supplied are normally determined by the supplier of equipment or plant - local recipient industries do not determine quantities of spare parts that should be supplied with equipment because quite often they do not know the design of equipment being supplied.

8. There is deficiency in spare parts management skills in such areas as codification of spare parts, stock control, preservation of spare parts and keeping of spare parts consumption data.

8. RECOMMENDATIONS

I. Policy Recommendations to Govenments, other concerned Institutions/Actors

1. Establish or strengthen local expertise to identify spare parts which can be locally manufactured by use of facilities and skills available in industry. Systems of sub-contracting among industries and mechanical workshops in spare parts manufacture should be encouraged.

2. Develop or strengthen local capabilities in design and redesign of spare parts and their manufacture.

3. Establish and/or strengthen spare parts reclamation practices because this is cheaper than spare parts manufacture. Reconditioning of heavy and larger spare parts for which manufacturing facilities may not be available should be given priority.

4. Establish basic spare parts manufacturing facilities such as machine shops, foundries and forge shops. Tool Rooms for manufacture of critical and high precision spare parts and tools should be established. Metallurgical and chemical analysis facilities should be established and quality control personnel should be trained.

5. Establish incentive schemes that will stimulate more interest in spare parts manufacture, reconditioning and reclamation. Such incentives could include priority allocation of foreign exchange for raw materials importation to industries or workshops engaged in spare parts manufacture, and reduced tariff rates for equipment being imported for spare parts manufacture.

6. Institute, where considered appropriate, government regulatory controls that will bar user industries and other importers from importing spare parts which can be locally manufactured. Governments should obtain expert advice on the list of spare parts that can be locally manufactured at economical levels.

7. Develop skills and expertise to be able to choose spare parts and quantities which should be ordered taking into consideration technical and financial aspects, and to consider existing storage facilities and spare parts preservation.

8. To establish spare parts departments or sections under maintenance departments so that the spare parts departments can be closer and therefore more responsive to spare parts needs for equipment maintenance. This arrangement also assists in raising technical skills of personnel involved in purchasing and storing spare parts.

II. International Cooperation

9. Promote the exchange of information and experiences through National Engineering Design Centres or similar institutions and through ARCEDEM.

III. UNIDO Technical Assistance

10. Provide technical and financial assistance to National Engineering Design Centres where they already exist and assist countries which would like to establish similar centres and in the training of technical personnel.

11. Provide technical and financial assistance to strengthen the capacities and capabilities of developing countries in the manufacture, repair, and reclamation of spare parts, in particular those of electro-mechanic workshops.

12. Provide technical and financial assistance in conducting regional and sub-regional training programmes in spare parts management.

ISSUE F: TECHNICAL DOCUMENTATION

A. Conclusions

1. Technical documentation is one of the most important factors in a maintenance management system.

2. There are no complete technical documentations available to maintenance personnel.

3. Most of maintenance personnel are not at the level of using technical documentation.

4. There is lack of technical offices and personnel for preparing technical specifications for maintenance work.

5. Sometimes equipment is delivered without complete technical documentation due to lack of specification at the time of ordering.

B. Recommendations

I. Policy Recommendations to Governments, other concerned Institutions/Actors

1. Complete technical documentation must be requested and clearly specified while elaborating tender documents. This must be catered for in the contract.

2. Establishment of technical offices in medium and big enterprises for smooth operations of maintenance.

3. Updating of technical documentation to reflect changes due to new technologies.

4 Update technical documentation according to any alterations during erection, start-up, and all life of equipment.

5. Install a centralized technical documentation section covering all aspects.

6. Ensure that personnel are sent to suppliers for preparation of machine files and technical documentation prior to supply of plant.

II. UNIDO Technical Assistance

7. Prepare guidelines and training programmes for human resources development to deal with the above recommendations.

8. Promote exchange of information about technical documentation between African countries.

I. ORGANIZATION OF THE MEETING

1. The Regional Expert Group Meeting on Human Resources Development in Industrial Maintenance in Africa, was held in Nairobi, Kenya, 23 to 27 June 1986. The Meeting was attended by a total of 30 participants, comprising 13 experts from 13 African countries, 6 experts and 4 observers from developed countries, two African Regional Organizations (ARCEDEM and IHTTR), one Labour Organization (COTU - Kenya) and 4 United Nations Organizations (ILO, UNESCO, UNDP, UNIDO).

Confer:

Annex No. 1 - List of Participants
Annex No. 2 - Programme of the Meeting
Annex No. 3 - List of documents for the Meeting.

Opening of the Meeting

2. The Meeting was opened by Mr. J. M. Scoular of the Overseas Development Administration of the United Nations and Commonwealth Department of the United Kingdom; in his capacity as Representative of his Government. In his opening address, Mr. Scoular stressed the importance that his government attaches to human resources development in the industrial development process of developing countries and to industrial maintenance, especially in Africa, to avoid the rapid deterioration of industrial capital assets on which industrialization depends. He showed his Government's support for the System of Consultations as a unique forum for international cooperation in the industrial field. He stated that human resources development is a major factor for self-sustaining industrial growth in developing countries. Hence his Government's interest in sponsoring the meeting.

3. Mr. G. L. Pennacchio, UNDP Resident Representative in Kenya, in a statement read on his behalf by Mrs. A. L. Josiah, paid tribute to UNIDO and to the System of Consultations for organizing the meeting and for creating the right environment for international cooperation and identification of technical assistance projects - the field in which UNDP is primarily involved. He emphasized the importance of industrial maintenance in Africa and the training of maintenance personnel. He made reference to the UNDP

sponsored meeting on "Post-Investment" held in Rabat, Morocco in May 1985 where the concept of "Post-Investment" was launched. He defined "Post-Investment" as the sum of activities aiming at the highest profitability of invested capital in terms of volume and quality of yield, together with the longest possible life of equipment installed by such investment. He also referred to the North-South Roundtable on "Development: The Human Dimension" (Istanbul, Turkey, September 1985) where it was demonstrated that one of the major obstacles to economic progress in developing countries is the inadequate attention given to the development of human resources.

4. In a statement made by a Representative of the UNIDO Secretariat a warm welcome was given to the participants for accepting UNIDO's invitation to attend the meeting. The meeting formed an ideal group that could make concerted efforts to search for solutions to problems and constraints faced by developing countries in their industrialization process, particularly in overcoming their ever-present problem of industrial maintenance in order to safeguard the patrimony of their capital goods, equipment and infrastructures, and to optimize on their utilization. He pointed out that it is estimated that the life-span of machinery in Africa is only 70% of that elsewhere, and that capacity utilization due to lack of or poor maintenance in many African countries is only 25% to 50%. Apart from losses of billions of dollars due to pre-term substitution of machinery, production breakdowns, loss of orders, etc, untold unquatifiable losses are sustained due to the obstruction of the industrial and economic development process, not to mention the detrimental effects in the social sphere arising from de-motivation and frustration of the labour force. He thanked the African participants who had prepared national case studies which were of very high quality and constituted important inputs for the deliberations of the meeting.

II. SUMMARY OF DISCUSSIONS

5. Short introductory presentations were made by UNIDO staff members. A staff member from the System of Consultations, dealt with the importance of the meeting in the context of the overall preparations for the Second Consultation on the Training of Industrial Manpower which is envisaged for September 1987 in Paris, France. He referred to the recommendations of the

Meeting held in Paris, France in January 1986, explained the objectives of the Nairobi meeting, and emphasized the need for action-oriented conclusions and recommendations.

6. Another UNIDO staff member from the DIO/TRAIN, presented the training activities of UNIDO in the area of industrial maintenance[11/] which included courses, seminars and workshops, as well as activities aimed at strengthening industrial training institutions including those dealing with maintenance and repair. He referred to a UNIDO sponsored project with the Union of African Railiways concerning maintenance and repair of railway equipment, and institution-building activities for industrial training in maintenance in Egypt, Zimbabwe and Madagascar.

7. Finally, one representative of the Unit for the United Nations Industrial Development Decade for Africa (IDDA), reminded participants that the eighties had been declared as the Industrial Development Decade for Africa by the UN General Conference (Resolution 35/66 B). One of the major priorities for industrial development envisaged by IDDA and the Lagos Plan of Action was human resources development. This was reconfirmed by the Fourth General Conference of UNIDO in August 1984. He appealed to participants to bring forward their individual experiences and identify needs in human resources development in industrial maintenance which may give rise to appropriate technical assistance projects in furtherance of the objectives of IDDA.

8. Mr. De Groote, UNIDO Consultant, stated that the poor functioning of many industries in developing countries originates, in the majority of cases, from the lack of maintenance of the production equipment. The principal causes can be put into the following five groups: acquisition, design and use of production equipment; organization and management of maintenance; material resources for maintenance (technical documentation, spare parts, financial means, tools and measuring instruments, maintenance equipment); human resources, social economic and cultural environment of developing countries. All these factors are interdependant. Their origins can be found in

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11/ Confer: "UNIDO's Training Activities in the Area of Industrial Maintenance" No. V. 86-52210, Industrial Training, UNIDO.

insufficiencies or lack of arrangements at different levels of operators and decision making centres: the investment planner, the designer of plants and machinery, the customer and equipment supplier, the company and its production units, the government as well as organisations for financing and development aid. Remedial actions must be cohesive and must cover all maintenance problems in general in various economic sectors as well as on differnt levels. Because of the interdependance of the factors that occur in the problem of maintenance and the relationship of cause and effect between these factors, little purpose would be served in improving one without the other. An overall approach is therefore necessary. A maintenance policy should be determined at a national level, as well as at the level of organisations for financing and development aid. This policy must lead to an implementation strategy which will define a plan of action for the levels mentioned above. The maintenance policy must rest upon a pragmatic approach and must form a link between diverse operational levels in such a way that the implementation does not become impossible. Human resources development should automatically be part of this maintenance policy at each level and the proposals should be accompanied by appropriate measures for the development of the necessary capabilities. He suggested the selection of a target industrial sector, the concentration of maintenance organization and methods in one or two plants, and once results are quantified, diffusion of the results to other plants and sectors through a continuous sensitization campaign addressed at decision-makers, workers and the population at large.

9. Mr. C. Pichot, UNIDO consultant, stressed the economic aspects of maintenance, and that money spent on maintenance has to be looked upon as an investment rather than a cost. Many decision makers in government and industry were not yet sensitized on the benefits of maintenance, giving rise to parks of abandoned machinery, machinery exploited beyond the limits of safety where quantity of production was the only criterion, unlocatable spare parts, replacement of machinery instead of maintenance and repair, improvised repairs and cannibalization of machine parts. All this leads to "economic penalties" through rapid aging of plant, low capacity of utilization, low and poor production and continued hard currency purchases of unrealised

production goods. He stressed the importance of organizing maintenance on a sound footing in the key economic sectors through the identification of a pilot plant in each sector and country, which would be a model for other sectors and firms to emulate.

10. Mr. I. Domaski, ILO Representative, pointed out that maintenance programmes must be result-oriented, where results can be quantified in terms of data on lower breakdowns, improved production, lower cost of inputs and overall financial gain. This is in line with UNIDO's result-oreinted training system. In order to cope with the extent of the problem, it was important to embark on training of "transmitters" - trainers who are also working . One consultant can train a number of "transmitters" and in turn these "transmitters" train their crew on the job. He was appreciatve of ILO-UNIDO collaboration in industrial training.

11. Mr. O. Ibukun, UNESCO Representative, spoke of the important role of educational short and long term policies as basis for further industrial training by specialized institutes and in-service training in industry. He called for better coordination between formal education and the private industrial sector in order to limit the mis-match between educational preparation and the needs of industry. He also referred to UNESCO's programmes in the field of control and maintenance of scientific equipment e.g: hospital equipment, which includes the setting up of a network of instrumentation centres in Africa. His presence at the meeting showed the close cooperation between UNESCO and UNIDO.

12. All participants made note-worthy contributions to discussions drawing on the national case studies they had prepared.

13. Most participants underlined the importance of having a "national maintenance body" which would carry out a sensitization campaign, organize training activities, ensure coordination between formal education and industrial training for maintenance, and prepare a national strategy for maintenance.

14. Finance was singled out as a major factor in the implementation of any

maintenance strategy at national or enterprise levels. The view was however expressed that once the financial benefits of maintenance became well known, the necessary financial and human resources would be made available. Hence the importance of starting maintenanct sensitization campaigns through the publicity of results obtained in selected pilot plants.

15. All participants agreed that maintenance should be receognized as a distinct profession and that associations of maintenance engineers should be encouraged. Maintenance engineers and personnel should be rewarded for their contribution to production and development by granting them comparable status with traditional professions. Employees should facilitate the training of their employees in maintenance by allowing them to attend in-service training courses. They should also develop career development opportunities for maintenance personnel.

16. Information played a crucial part in the maintenance strategy. Information systems must be set up within plants to collect the necessary data about maintenance based on cost inputs and gains resulting from proper maintenance. Such information must be fed back to planners and decision-makers in the plant and should be exchanged with similar firms in the sector. Exchange of similar information should be done on sub-regional and regional levels.

17. There should be an integrated approach to maintenance. The maintenance function must be given importance from the time of the project concept, investment studies, preparation of tender documents and contracts for acquisition of plant, plant design, erection, commissioning and operation. Training must be organized for different categories of personnel involved in project planning, implementation and operation.

18. Computerized maintenance systems are beneficial to enterprises with extensive and complex plant and equipment. Attention must however be paid to computer programming which should be tailor-made for the requirements of the enterprise. Appropriate training must be given to personnel handling the computer and other personnel who must utilize computer instructions and collect data to be fed into the computer.

Three presentations were made by industrialists. Two of these dealt with computerized maintenance systems and one with a UNIDO sponsored technical assistance project concerning training of personnel in the maintenance of railway equipment.

CLOSURE OF THE MEETING

Upon completion of the work-programme and adoption of the conclusion and recommendations, a Representative of the UNIDO Secretariat thanked the participants for the hard work they had put in, including evening work, to bring the meeting to a successful conclusion. He stated that the meeting had achieved its objectives of coming out with concrete and action-oriented conclusions and recommendations which could serve as basis for a programme of activities for the Second Consultation on the Training of Industrial Manpower, as a guide for action for developing countries, as modalities for international cooperation and as basis for the generation of technical assistance projects. He thanked all those who had contributed for the success of the meeting.

ANNEX I

REGIONAL MEETING OF EXPERTS ON THE DEVELOPMENT OF HUMAN RESOURCES FOR INDUSTRIAL MAINTENANCE IN AFRICA

23 - 27 JUNE 1986

PREPARATORY TO THE SECOND CONSULTATION ON THE TRAINING OF INDUSTRIAL MANPOWER

LIST OF PARTICIPANTS

I. EXPERTS

BELGIQUE	M. R. THONNARD, Délégué Général, GIBELMAIN, Avenue des Arts 35, B-1040, Bruxelles.
BURUNDI	Mr. F. RWAYOYA, Ingénieur au Service Etudes et Planification de la REGIDESO, Département Electricité, B.P. 660, Bujumbura, Burundi.
CAMEROUN	M. J. M. ETOUNDI, Président, Association Camerounaise des Ingénieurs de Maintenance (ACIM), B.P. 3109, Yaoundé, Cameroun.
COTE D'IVOIRE	M. M. EKRA, Secrétaire Général, Chambre d'Industrie, B.P. 1758, 01 Abidjan, Côte d'Ivoire, Telex: 22291 indu ci.
EGYPT	Mr. D. TANTAWI, Chairman, Egyptian Iron and Steel Corporation, Tablin Works, Helwan Cario, Egypt, Telex: 92007.
ETHIOPIA	Mr. Y. TECLE, Director, Ethiopian Management Institute, Productivity Improvement Centre, P. O. Box 5538, Telephone: 15631, Addis Ababa, Ethiopia.
FRANCE	M. J-A. HIVER, Attaché de Coopération, French Embassy, P. O. Box 41784, Nairobi, Kenya. Telephone: 339783.

KENYA	Mr. S. M. ITA, Executive Director, Kenya Association of Manufacturers, P. O. Box 30225, Nairobi, Kenya, Telex: 22205 mackenzie.
MADAGASCAR	M. J. ANDRIANASOLO, Directeur National du projet UNIDO/ENG, DP/MAG/82/008, c/o Bureau du PNUD, P. O. Box 1348, Antananarivo 1010, République de Madagascar.
MAURITIUS	Mme. D. WONG, Director General, Mauritius Export Processing Zone Association, 42 Sir Willian Newton Str. Port Louis, Mauritius, Telephone: 085216/21853, Telex: 4612 MEPZA.
MAROC	M. M. BACHIRI, Directeur de la Planification et de la Formation Professionnelle, Ministère de l'Equipement, de la Formation Professionnelle et des Cadres, 3 Avenue Ibn. Sina, Rabat-Agdal, Telex: DIPLAFOR 32050 M.
SENEGAL	M. M. R. GUISSE, Directeur du Département de Communication Audio-Visuelle, Ecole Nationale Supérieure Universitaire de Technologie (ENSUT), B.P. 5085, Université de Dakar, Dakar, Sénégal.
UNITED KINGDOM	Mr. J. M. SCOULAR, United Nations and Commonwealth Department, Overseas Development Administration, Eland House, Stag Place, London, United Kingdom, Telephone: 213 5929.
	Mr. M. CROFTON, Industrial Training Adviser, Technical Education and Training Organization (TETOC) for Overseas Countries, British Council, 10 Spring Gardens, London SW1A 2BN.
USSR	Ms. P. STREPETOVA, Senior Researcher, Institute of World Economic Systems of Socialist Countries, Academy of Sciences, Novocheremuschkinskaya 46, Moscow, USSR.
	Mr. V. Y. RUBEN, Senior Expert, Department of Interntional Scientific, Technology and Economic Organizations, USSR State Committee for Science and Technology, 11 Gorky Street, Moscow, USSR.

ZAIRE

M. Citoyen IKAMBA WUT'IYELA, Président Délégué Général de l'Institut National de Préparation Professionnelle (INPP), B.P. 1150 Kinshasa, Zaire.

ZIMBABWE

Dr. C. C. TAKUNDWA, Assistant Director for Technology, Ministry of Industry and Technology, P. O. Box 8434, Causeway, Harare, Zimbabwe.

II. UNITED NATIONS AND OTHER ORGANIZATIONS

AFRICAN REGIONAL CENTRE FOR ENGINEERING AND EQUIPMENT MANUFACTURING (ARCEDEM)

Mr. C. P. ADAMS, Senior Design Engineer, African Regional Centre for Engineering, Design and Equipment Manufacturing (ARCEDEM), Private Mail Bag 19, U.I. Post Office, Ibadan, NIGERIA, Telephone (022) 713690, Telex: 20311 TDS IBANG Box 004.

AFRICAN INSTITUTE FOR HIGHER TECHNICAL TRAINING AND RESEARCH

Prof. Dr. M. F. SAAD, Director-General, African Institute for Higher Technical Training and Research, P. O. Box 553763, Nairobi, Kenya.

CENTRAL ORGANIZATION OF TRADE UNIONS (COTU)

Mr. G. ODIKO, Assistant Secretary-General, Central Organization of Trade Unions (COTU) of Kenya, P. O. Box 13000, Nairobi, Kenya

INTERNATIONAL LABOUR OFFICE (ILO)

Mr. J. DONARSKI, ILO Senior Expert, Ethiopian Management Institute, Productivity Improvement Centre, P. O. Box 5580, Telephone: 157596, Addis Ababa, Ethiopia, Representative of ILO, Geneva, Switzerland.

UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)

Ms. L. A. JOSIAH, Representative of the UNDP Resident Representative, P. O. Box 30218, Nairobi, Kenya.

UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION (UNESCO)

Chief O. OBUKUN, Director, Engineering Education Section, UNESCO, 7 place de Fontenoy, F-75700, Paris, France.

Mr. A. ABDINASER, Programme Specialist, UNESCO-ROSTA, (Regional Office for Science and Technology for Africa), P. O. Box 30592, Nairobi, Kenya.

III. OBSERVERS

AUSTRIA

Mr. M. KLADIWIK, Director, Austria/Voest Alpine Industrial Serives, P. O. Box 2, A-4010, Linz/Austria.

Mr. H-J. NEUMANN, Training Manager, Austria/Voest Alpine Industrial Services, P. O. Box 2, A-4010, Linz/Austria

FRANCE

M. S. THIERRY, Conseiller Culturel et de Coopération, French Embassy, P. O. Box 41784, Nairobi, Kenya. Telephone: 339783.

UNITED KINGDOM

Mr. J. D. FORSTER, Course Director, UNIDO/UAR Railway Course, British Rail Engineering Limited, St. peters House, Gower Street, Derby, England.

ANNEX II

PROGRAMME OF THE MEETING

Monday 23 June:

09.30 - 10.30	Registration of participants
10.30 - 11.00	Official opening by Mr. J. M. SCOULAR, Representative of the Government of the United Kingdom. Introduction to the meeting by the UNIDO Secretariat
11.30 - 13.00	General presentation of the issues by the UNIDO representatives and consultants.
14.30 - 16.00	Issue A: National strategy for maintenance
16.30 - 18.00	Continuation and conclusion of discussions

Tuesday 24 June:

09.30 - 11.00	Issue B: Training policy for maintenance
11.30 - 13.00	Continuation and conclusion of discussions
14.30 - 16.00	Issue C: Negotiation and acquisition of capital goods
16.30 -18.00	Provisional conclusions and recommendations on issues A, B, and C.

Wednesday 25 June:

09.30 - 11.00	Issue D: Maintenance organization and methods
11.30 - 13.00	Continuation and conclusion of discussions.
14.00 - 19.00	Visit to Training Institute of Kenya, Power and Lighting Co, Nairobi, and Training Institute and Factory of Kenya Canners Ltd, Thika.

Thursday 26 June:

09.30 - 11.00	Issue E: Spare parts (local manufacture)
11.30 - 13.00	Issue E: Spare parts (management)
14.30 - 16.00	Issue F: Technical documentation
16.30 - 18.00	Draft conclusions and recommendations on issues D, E and F.

Friday 27 June:

09.30 - 11.00	Finalization of conclusions and recommendations on issues A, B and C.
11.30 - 13.00	Finalization of conclusions and recommendations on issues D, E and F.
14.30 - 16.30	Discussion and adoption of conclusions and recommendations of the meeting.
	Closure of the meeting.

ANNEX_III_

LIST_OF_DOCUMENTS_FOR_THE_MEETING

Mr. De GROOTE	Guide for Action in the Field of Human Resources Development for Industrial Maintenance in African Countries.
Mr. C. PICHOT	Investment in Maintenance: Economic Stakes and Possible Strategies.
Mr. M. CROFTON	The Role of Human Resources Development for Industrial Maintenance.
Ms. I. LORENZO	UNIDO's Training Activities in the area of Industrial Maintenance No.V.86-52210, Industrial Training, UNIDO.

NATIONAL_CASE_STUDIES

BURUNDI	M. F. RWAYOYA	"Etude Prèparatoire à la Rèunion Règionale d'un Groupe d'Experts sur le Dèveloppement des Ressources Humaines pour la Maintenance Industrielle".
CAMEROUN	M. J. M ETOUNDI	"Etude concernant le Cameroun sur le Dèveloppement des Ressources Humaines pour la Maintenance Industrielle en Afrique".
COTE_D'IVOIRE	M. M. EKRA	"Profil de la Côte d'Ivoire concernant le Dèveloppement des Ressources Humaines pour la Maintenance Industrielle en Afrique".
EGYPT	Mr. D. TANTAWI	"Case Study for Steel Industry in Egypt."
ETHIOPIA	Mr. Y. TECLE	"National Case Study (Ethiopia) on Human Resource Development for Industrial Maintenance".
KENYA	Mr. S. M. ITA	"A National Case Study Paper on Human Resources Development for Industrial Maintenance."
MADAGASCAR	M. J. ANDRIANASOLO	"Etude de Cas: Quelques aspects sur le Dèveloppement des Ressources Humaines dans le Cadre d'un Programme de Maintenance Industrielle à Madagascar".

MAURITIUS	Ms. D. WONG	"Human Resources Development for Industrial Maintenance in Mauritius".
MOROCCO	Mr. M. BACHIRI	"Post-Investissement et Maintenance au Maroc".
SENEGAL	Mr. H. GUISSE	"La Mise en Valeur des Ressources Humaines pour la Maintenance Industrielle en Afrique - Le Cas du Sénégal".
TANZANIA	Mr. G. MSOLLA	"Human Resources Development in Industrial Maintenance: the Case of Tanzania".
ZAIRE	M. C. I. WUT'IYELA	"Etude de Cas concernant le Zaire sur le Développement des Ressources Humaines pour la Maintenance Industrielle en Afrique".

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UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

ENGLISH

Expert Group Meeting on measures to stimulate co-operation between the co-operatives of developed and the more industrialized developing countries and the food-processing industry in developing countries

Vienna, Austria, 26-28 May 1986

REPORT *

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PREFACE

The Expert Group Meeting on "Measures to stimulate co-operation between the co-operatives of developed and the more industrialized developing countries and the food-processing industry in developing countries" was held at Vienna from 26 to 28 May 1986. The list of participants are attached as Annex 1 and the agenda of the meeting as Annex 2 respectively.

The meeting was convened as a follow-up to the recommendation adopted by the Second Consultation on the Food-Processing Industry with Special Emphasis on Vegetable Oils and Fats, held at Copenhagen in 1984, which recommended among others, that UNIDO "prepare, based on experience, suggestions for measures, including those for trade promotion, to stimulate co-operation between the co-operatives of developed and the more industrialized countries and the food-processing industry in developing countries." This recommendation reflected the general conclusion of the First and Second Consultations on this sector, that the range of partners from developed and the more industrialized developing countries, which could co-operate in the agro-industry development of developing countries, should be extended.

The food-processing co-operatives were generally recognized as those new partners for international collaboration with wide experience and an important role to play in the national development of their agro-industries. Their activities in the processing of agricultural products contributed to the extended national manufacturing value added and also safeguarded better prices for the agricultural products and processed foodstuffs.

As supportive material, a background paper was submitted prepared by a UNIDO consultant and entitled "Suggestions for measures to stimulate co-operation between the co-operatives of developed and the more industrialized developing countries and the food-processing industry in developing countries". The paper, which concentrated on major issues, was regarded by the meeting as a good basis for discussions.

CONCLUSIONS AND RECOMMENDATIONS

The meeting arrived at the following conclusions and recommendations:

1. For the purpose of adequate identification of the co-operative partners in the developed countries and the more industrialized of the developing countries, the meeting was of the opinion that food-processing co-operatives should be listed as those specializing in different industries of the food-processing sector as well in the activities of agricultural, consumer fishery or multi-purpose co-operatives. All such co-operative enterprises both in market economy and centrally-planned economy countries, as well as the more industrialized developing countries, could be regarded as potential partners for collaboration with developing countries' agro-industries.

2. While it was generally recognized that, due to sufficient capacity, experience, human and financial resources which were available from other sources, the co-operatives in developed and the more industrialized developing countries were able to increase their involvement in collaboration with developing countries, it was felt that the main counterparts in developing countries should be co-operative enterprises, as they were guided by the same co-operative ideas. The range of potential counterparts in developing countries could however be extended to other partners, particularly small- and medium-scale enterprises, regardless of their ownership origin, be it state, public or private. The problem of enterprise-to-enterprise co-operation deserved increasing support, with UNIDO playing a catalystic role.

3. The present scale of collaboration was influenced by many constraints both in developed as well as in developing countries such as: internal orientation of a majority of co-operatives whose prior responsibility lay in satisfying the needs of their members; misunderstanding of international co-operation which, as such, was often regarded as a pure

donating activity; mutually beneficial collaboration; insufficient information; high financial risks of co-operating with some of the developing countries mostly associated with political and economic instability; financial problems of developing countries; low level of education as well as insufficient infrastructure facilities. The problem of full autonomy and independence for co-operatives and their relationship with governments was also indicated as one of the existing barriers.

4. The measures aimed at strengthening co-operation in food-processing development should be addressed to different bodies in both developed and developing countries, and particularly the co-operatives themselves, governments and financial institutions and international organizations. The background paper prepared for the meeting identified and highlighted them carefully and adequately.

5. The role of governments in promoting extended collaboration of co-operatives was of particular importance. However its present scope differed from country-to-country, from preferential treatment to underestimation of such collaboration. The government should play a positive role by introducing favourable legislation for co-operative activities; removing existing legal barriers in those developing countries where the co-operation with co-operatives of developed countries was confronted with such obstacles; channelling more financial resources for development projects being implemented by the co-operative enterprises in developed countries; introducing tax exemptions for co-operatives entering into international collaboration; collecting information on suitable projects, conditions of their implementation, etc. Government assistance should be designed to encourage co-operatives to become autonomous organizations. Assistance that made co-operatives dependent upon government or other external sources should be avoided or minimized.

6. Lack of information and internal and international co-operative statistics was highlighted as another important prerequisite for extended collaboration with food-processing co-operatives. The present flow of

information on the real needs of the developing countries and the potential collaboration of the developed countries and the more industrialized developing countries was insufficient. The establishment of a system of data-collecting and distribution should be seen as an investment which should be created in a systematic way.

7. The situation with respect to the real needs of the developing countries in their food-processing development called for techno-economic surveys in the agro-industries sector in selected developing countries. Such surveys could assist many co-operative enterprises in identifying their potential role in assisting developing countries in promoting their agro-food industries.

8. There was a growing awareness of the potential profits which could be obtained through the growth of food production in general, and the mechanism of manufacturing value added associated with the processing in particular. Very often countries entering into processing were hampered by the huge investments needed for the creation of adequate production capacities and lack of financial support. Co-operative assistance could be helpful in identifying possibilities of entering into processing and marketing and setting up the necessary organizational and technical facilities. The co-operation in developing the institutional building was also strongly underlined.

9. Assistance in training, including co-operative management and general education, was indicated as an area requiring constant attention and where the involvement of co-operatives could be especially substantial. Training should be regarded as a built-in element of a technical co-operation project and take up a substantial portion of its cost. Training could be carried out in different forms including in-plant training, vocational training, etc., both in donor as well as in recipient countries. There were however, problems which confronted training activities such as: reluctance to training by participants from developing countries, inadequate motivation, incidental selection of participants, inconsistent follow-up activities, shortcomings in financing, etc. Training should be regarded as a kind of investment, with profits and losses taken into consideration.

10. The experience accumulated by international and non-governmental organizations in promoting training activities in co-operation with co-operatives should be widely used to enable developing countries to work out an appropriate training system. Special importance was attached in that respect to the activities of ILO, including the preparation of training material (manuals). UNIDO's involvement in promoting training activities with co-operative partners was also highly appreciated and further strengthening was expected. The training facilities offered by ILO's International Centre for the Advancement and Vocational Training in Turin (Italy) and the Centre for the Promotion of Training and Research of Industrial Co-operatives in Gdansk (Poland) should be used to the maximum possible extent.

11. Attention should also be given to the promotion of national consultancy capabilities as well as co-operative research activities as a basis for consultancy. In many developed and the more industrialized developing countries such potentials existed. A number of consultancy services were easily available. Their promotion and utilization for food-processing development purposes in developing countries should be taken into account in the co-operation offer.

12. International co-operative trade, including international co-operative fairs, was considered a suitable mechanism for marketing internationally the co-operative food-processing products. Principal organizations involved were COPAC, ICA, IFAP, INTERCOOP. Successful international co-operative trade depended on several preconditions, inter alia, the organization and strengthening of national co-operative structures, an effective system of national and international financing, and innovative arrangements between the food-processing enterprises in developing countries and their counterparts in industrialized countries.

13. The important role of international organizations such as COPAC, FAO, ICA, IFAP, ILO and UNIDO in promoting the co-operation between the co-operatives of developed and the more industrialized developing countries and the food-processing sector in developing countries was strongly underlined. It was felt, however, that better co-ordination of

promotional activities between those Organizations would lead to more effective co-operation with co-operative enterprises. The co-ordinating role of COPAC was particularly highlighted. The preparation of an inventory of consultancy and research institutions in the co-operative sector was mentioned as a possible area of COPAC's activities.

14. Taking into account the role and functions of COPAC in promoting and co-ordinating assistance to co-operatives in developing countries, UNIDO, as a newly-established specialized agency of the United Nations system should join this body. Its previous membership in COPAC was secured by the membership of the United Nations, of which UNIDO was an integral part. COPAC served as a liaison body for action-oriented consultations between the UN agencies and international non-governmental organizations. It was financed by its member organizations. The basic advantage for UNIDO in joining COPAC lay in getting full access to information on programmes and plans for co-operative development, being carried out by other UN agencies and non-governmental organizations.

Annex 1

List of Participants

Stanislaw Grabowski, Associate Professor, Central School of Planning and Statistics, Dept. of Agriculture, Economics and Food Economy, Al. Stanów Zjednoczonych 26 m 56, 03-964 Warsaw, Poland

Ravi Vira Gupta, Managing Director, National Co-operative Development Corporation, 4 Siri Institutional Area, Hauz Khas, New Delhi 110016, India

Malte Jönsson, Head of Section, Swedish Co-operative Centre, Box 15200, S-104 65 Stockholm, Sweden

Salomon Schlifke, Int. Secretary, Konsumverband Austria, Giselhergasse 11, 1150 Vienna, Austria

Organizations

Committee for the Promotion of Aid to Cooperatives (COPAC)

Jack Shaffer, Executive Secretary, Via delle Terme di Caracalla, 00100 Rome, Italy

International Labour Office (ILO)

Christian Jacquier, Senior Adviser, Co-operative Branch, 4 route des Morillons, CH-1211 Geneva 22, Switzerland

United Nations Centre for Social Development and Humanitarian Affairs (UNCSDHA)

Murray Silberman, Senior Social Affairs Officer, Social Development Policies Group, Social Integration and Welfare Branch, Social Development Division, Vienna International Centre, P.O.Box 500, 1400 Vienna, Austria

Annex 2

Agenda

1. Opening

2. Present stage of food-processing co-operatives' participation in international collaboration with developing countries:

   (a) Basic assets of food-processing co-operatives

   (b) Existing constraints

3. Measures aimed at strengthening such collaboration:

   - Based on the background paper's proposals

   - Based on the experts' individual statements.

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Regional Meeting for Latin America and the Caribbean in preparation of the First Consultation on the Fisheries Industry

Lima (Peru), 27-30 May 1986

REPORT*

* This document has not been formally edited by the UNIDO Secretariat.

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PREFACE

The System of Consultations

The Second General Conference of the United Nations Industrial Development Organization (UNIDO), held at Lima (Peru) in March 1975, recommended that UNIDO should include in its activities a system of continuous consultations between developed and developing countries with the aim of increasing the participation of the latter in world industrial production by means of enhanced international co-operation. Subsequently, the United Nations General Assembly, at its seventh special session in September 1975, supported this recommendation.

In May 1980 the Industrial Development Board decided to establish the System of Consultations on a permanent basis, and in May 1982 approved the rules thereof (The System of Consultations, PI/84), stipulating its principles, objectives and characteristics - in particular:

> "The System of Consultations shall be an instrument through which the United Nations Industrial Development Organization (UNIDO) is to serve as a forum for developed and developing countries in their contacts and consultations directed towards the industrialization of developing countries.
>
> The System of Consultations shall seek action-oriented measures towards increasing the share of developing countries in world industrial production and creating new industrial facilities in developing countries contributing to the establishment of a New International Economic Order. To that end, the problems associated with the industrialization of developing countries shall be considered on a continuing basis from a policy, economic, financial, social and technical point of view.
>
> The System of Consultations shall relate to co-operation between developed and developing countries and among developing countries themselves.
>
> The System of Consultations would also permit negotiations among interested parties at their request, at the same time as or after consultations.
>
> Participants of each member country should include officials of governments as well as representatives of industry, labour, consumer groups and others, as deemed appropriate by each Government.
>
> Each Consultation Meeting shall formulate a report, which shall include conclusions and recommendations agreed upon by consensus and also other significant views expressed during the discussions."

Consultations on the Fisheries Industry

At its nineteenth session in May 1985, the Industrial Development Board decided to include the First Consultation on the Fisheries Industry in the programme of consultation meetings for the biennium 1986-1987.

In accordance with this decision and the programme of work adopted, the First Consultation on the Fisheries Industry will be held in June 1987. The UNIDO Secretariat will convene a Global Preparatory Meeting to identify the priority points to be submitted to the First Consultation on the Fisheries Industry for its consideration.

In anticipation of the Global Preparatory Meeting, preparatory activities have begun at regional level, including:

- Preparation of documents on the fisheries industry in Africa, Asia and Latin America;

- Regional preparatory meetings for Africa, Asia and Latin America.

The Regional Meeting for Latin America and the Caribbean was organized by UNIDO in close collaboration with the United Nations Food and Agriculture Organization (FAO) and the Latin American Fisheries Development Organization (OLDEPESCA), under the auspices of the Peruvian Ministry of Fisheries. The meeting was held in Lima (Peru) on 27-30 May 1986.

The objectives of the meeting were:

(a) To examine the current situation of the fisheries industry in the region, and its possibilities of expansion within the Exclusive Economic Zone, established under the Convention on the Law of the Sea (1982);

(b) To identify the joint and individual constraints hindering the development of this industry in the developing countries in the region;

(c) To examine and propose forms of co-operation and international measures necessary to overcome the constraints identified;

(d) To select specific subjects for further study at the Global Preparatory Meeting and for possible inclusion among the subjects to be submitted to the First Consultation on the Fisheries Industry.

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CONCLUSIONS AND RECOMMENDATIONS

1. The Meeting arrived at the following conclusions regarding the problems facing the fisheries industry:

(a) As regards resources:

- Insufficient and inadequate knowledge of maritime and inland waterway fisheries resources;
- Even though the Region possesses a research infrastructure and scientific capability, research projects appear to be affected by inadequate distribution;
- Research into resources is conducted at national level for the most part without adequate planning;
- Insufficient regional co-ordination of fisheries research efforts.

(b) As regards the fleet:

- Fishing in the region is carried out by an industrial fleet which is suffering from obsolescence in terms of the age of the vessels and their technology, with some exceptions, and an independent operator fleet which has no technological development, a short range, inadequate use of navigation and fishing equipment and a low operational capacity;
- The position as regards facilities to maintain and repair the fleet is very uneven - varying from complete absence of facilities to a full range of installations;
- The presence of fishing fleets from outside the continent in regional waters is not always in the interests of the riparian countries.

(c) As regards fishing equipment:

- The majority of the regional fleet is inadequately equipped for navigation and fishing;
- The region is therefore in a position of strong technological dependence as far as this type of equipment is concerned.

(d) As regards fishing technology:

- Deficiencies in the on-board techniques for handling catches intended for direct human consumption.

(e) As regards harbour infrastructures:

- The region suffers from deficiencies in harbour infrastructures and services.

(f) As regards fishermen:

- Insufficient training at all levels;
- Lack of organization among independent fishermen which restricts their economic and social development.

(g) As regards processing:

- The bulk of the region's catch is intended for indirect human consumption;
- There is excessive production capacity in the fish-meal, canning and freezing industry, except in certain countries;
- The canning industry is suffering from inefficiency and a lack of diversification;
- Low level of development of other forms of processing, e.g. dried/salted, smoked, cured and other craft processes;
- Deficiencies in process and quality control;
- Inadequate development of packaging standards for fish products;
- The cost structure of the canning industry is strongly influenced by the cost of the containers.

(h) As regards human resources:

- Low level of training and classification of manpower at all levels.

(i) As regards aquaculture:

- Development is beginning, but research and production are limited, except for species of high commercial value.

(j) As regards foreign trade:

- The region's fisheries exports are dependent on the requirements of the international market;
- With some exceptions, the region does not possess adequate market information systems;
- The exporters of the region compete on international markets in isolation, which diminishes their negotiating strength. Nationally there are also difficulties in co-ordinating the supply of products for export;
- The region's exportable surplus is not sufficiently diversified;
- The deficiencies in the quality of Latin American export products mean not only that they are rejected, but also that the entire export trade is discredited;
- There are transport deficiencies which limit product distribution;
- The existence of protectionist tariff barriers restricts access by our products to important incernational markets;
- Insufficient development of intra-regional trade.

(k) As regards the supply of the internal market:

- The existence of inadequate distribution and marketing systems and the absence of fish-consumption habits mean that, notwithstanding its rich potential, fishing is not making an adequate contribution to the region's food supplies.

(l) As regards institutional aspects:

- In most of the countries State participation in fisheries administration takes place through various institutions with a poor mutual co-ordination;

- There is incompatibility betweeen the priority accorded in overall plans to the development of fishing and the resources allocated for this purpose;

- In most countries of the region, the legal provisions governing fishing are out of date.

(m) As regards co-operation:

- Even when considerable efforts are made, the regional and international co-operation processes are still inadequate, because of the lack of financial resources.

The problems affecting the fisheries sector are made even more acute by the critical financial situation in Latin America, which has a negative influence on the economic, social and technological development of the region.

2. In order to determine the priority areas, the following conclusions and recommendations were adopted:

Fishing is an economic activity which involves ancillary productive processes, as regards both the catch and the processing and marketing of fish products. This activity is sustained by the fish resources, human resources and production infrastructure, made up of the fleet, catch landing centres, storage, conservation, processing and means of distribution. In addition to this, factors accompanying the development of fishing are regarded as including, essentially, research into fish resources, training of the human resources involved in all stages of the production process, application of technologies appropriate to the characteristics and requirements of the region, and proper channelling of multilateral and bilateral international co-operation.

Consequently, the aspects connected with the development of fishing in the region should be treated as an overall entity in order to bring about rationalization of the production process. This overall approach does, none the less, allow for some specific references to relevant features which merit priority attention. The manner in which the problems affecting fishing were reviewed and characterized during the meeting thus made it possible to put forward the following areas of particular importance for regional fisheries:

(a) Fisheries research:

- Monitoring of resources to provide an ongoing evaluation.

(b) Fishing fleet:

- Definition of vessels suitable for each type of fishing;

- Study of the possibility of replacing petrol engines by diesel;

- Selection of equipment and design of fishing gear most suitable for each type of fishing.

(c) Harbour infrastructure:

- Improvement of catch landing and fish collection centres.

(d) Processing:

- Development of containers and packaging;
- Design and adaptation of equipment and machinery for the fisheries industry;
- Development of products and presentations suitable for the internal and external markets;
- Awareness and application of appropriate technology;
- Organization and rationalization of production and improvement of productivity;
- Quality control and standardization of the production processes.

(e) Marketing:

- Development of domestic and export markets;
- Improvement of marketing channels and marketing systems;
- Promotion of domestic consumption.

RECOMMENDATIONS

3. The Regional Meeting on the Fisheries Industry in Latin America and the Caribbean confirmed the existence of serious difficulties holding back the development of fisheries in general. The meeting also made it possible to characterize these difficulties by identifying a series of important subjects in the fields of fisheries research, fleet, infrastructure, processing and marketing which merit particular attention.

4. Of the subjects mentioned above, those considered as priority items to be examined at the Global Consultation on the Fisheries Industry which UNIDO will convene at Gdansk (Poland) in 1987 are the fishing fleet and product processing, as indicated in points (b) and (d) above, for which specific regional and international co-operation is deemed necessary.

5. Another subject which deserves particular treatment by international bodies, such as FAO, UNCTAD and other co-operation agencies is marketing as indicated in point (e).

6. A supplementary aspect which has aroused particular interest is the "Design, Construction and Repair of Small and Medium Vessels" project for which, through the facilities set up by OLDEPESCA, the co-operation of UNIDO is required in respect of the recommendations issued on this subject by the UNIDO meeting held at Havana (Cuba) in 1982.

I. ORGANIZATION OF THE MEETING

7. The Regional Meeting for Latin America and the Caribbean in preparation of the First Consultation on the Fisheries Industry was held in Lima (Peru) on 27-30 May 1986. The meeting was attended by 14 participants from 11 countries in the region, two observers from developed countries and representatives of the Inter-American Development Bank, OLDEPESCA, FAO and UNIDO (the list of participants is given in annex I).

Opening of the Meeting

8. At the opening session, the meeting was addressed by the Peruvian Minister of Fisheries, Mr. José Palomino Roedel, who welcomed the participants and highlighted the importance, at the present time, of the harmonious and independent development of fisheries in Latin America.

9. He pointed out that fishing had not contributed significantly to the people's food supply. He also indicated the failure to make the necessary effort to investigate resources, which had given rise to an inadequate conservation policy.

10. The Minister also referred to the currently diminished production of the region's fishing fleet within the 200 nautical mile zone, the neglected state of inland waterways and the inadequate attention to traditional techniques for fish processing, together with the lack of progress in modern methods of developing mariculture. Finally, the Minister emphasized the need to support and strengthen OLDEPESCA as a means of promoting fisheries development through regional co-operation.

11. The opening session was also addressed by Mr. Domingo Siazon, Director-General of UNIDO, who stressed the work that his Organization was doing within the framework of the System of Consultations as a means of encouraging contacts between industrialized countries and developing countries in order to promote the growth of the latter.

12. He also referred to the importance of the fisheries sector for many developing countries, in terms of its contribution to the gross domestic product and to employment, particularly in the case of independent operator fishing. He also stressed the role of the fisheries industry in combating malnutrition.

13. Finally, he expressed his confidence that the meeting would make it possible to determine those areas which were crucial for the future development of the sector and provided the incentive to formuate concrete and practical recommendations to promote international co-operation in the fisheries industry.

14. In his statement at the opening session, Dr. Juan José Cárdenas Ronco, Executive Director of OLDEPESCA, expressed the view that the meeting was indicative of the high degree of interest that the international community was showing in the development of the fisheries industry.

15. He referred to the acute nutrition and unemployment problems afflicting the region and pointed out how the development of fisheries could help to solve them, which was the reason why the Governments of Latin America and the Caribbean had decided to establish OLDEPESCA as an agency to promote such development. He likewise emphasized the need for greater efforts to improve the infrastructure, expand the fishing fleet, develop low-cost products and encourage the development of aquaculture.

II. SUMMARY OF DISCUSSIONS

16. Dr. Nelson Cárdenas Ojeda, the Peruvian Deputy Minister of Fisheries, was unanimously elected Chairman of the meeting. He presented the agenda, indicating that in order to fulfil the objectives of the meeting attention should first be given to reviewing and characterizing the problems of the fisheries industry in Latin America and the Caribbean, before proceeding to determine the priority areas for consideration by the Global Consultation. The agenda was adopted as set forth in annex II.

17. A UNIDO official took the floor to explain the scope of the meeting, indicating that it was exclusively a meeting of experts in their personal capacity and that consequently their opinions would be binding neither on their agencies nor their Governments.

18. In accordance with the Agenda, the Chairman requested Mr. Oscar do Porto, a UNIDO consultant, to present the document on regional fisheries which he had prepared on behalf of his organization.

19. The document, circulated to the participants, had been prepared on the basis of data from Argentina, Columbia, Chile, Peru and the Dominican Republic. The conclusions of the document related, primarily, to the legal aspects of those countries' activities before the establishment of the 200-mile Exclusive Economic Zone, regulations governing fishing in each country and institutional structure, level of utilization of resources, infrastructure for handling and processing, technology, marketing system and problems connected with industrial development.

20. A UNIDO official then presented the document prepared by the UNIDO Secretariat, entitled "Factors in the Analysis of Constraints on the Development of the Fisheries Industry in Latin America and the Caribbean", and setting out to explain the present status of the fisheries industry in the region and its prospects in the context of the United Nations Convention on the Law of the Sea (1982), emphasizing the limitations affecting the development of the sector and the alternatives for an overall policy to develop fishing.

21. Dr. Juan José Cárdenas, Executive Director of OLDEPESCA, introduced the "Report on the Fisheries Situation in the Region" which had been submitted to the II Conference of Ministers of OLDEPESCA in November 1985. The report began with a general appraisal of the region's economy at the end of 1984 and the food situation in Latin America and the Caribbean, went on to mention the most relevant aspects of fisheries in the region, with an analysis of the principal fisheries and a quantitative study of the main variables in the fisheries production process, and ended with conclusions on how to deal with the problems of fishing in general and recommendations designed to cope with these problems through better utilization of fisheries resources.

22. Continuing with the Agenda, the Chairman invited the participants to submit the reports relating to their countries. Each of the experts in turn summarized the fisheries situation in his country with reference to resources, catches, fleets, processing, technological development, aquaculture, marketing, institutional features and regional and international co-operation. In each case there was a lively exchange of views which enhanced the value of the discussion.

23. In the light of the working procedure adopted, the Chairman called on the participants to consider the subjects on which the meeting's attention should be focused.

24. In accordance with the procedures established, two Working Parties were set up to fulfil the purposes of the meeting.

25. Working Party No. 1 examined the problems of the region's fisheries industry and was made up of Mr. L. Verderau (Chile), Mr. L. Arias (Nicaragua), Mr. M. Dueñas (Peru), Mr. R. Miranda (Peru), Mr. G. Gutierrez (Dominican Republic), Mr. E. Bertullo (Uruguay) and Mr. F. Herrera-Terán (Venezuela). The Working Party received the support and advice of OLDEPESCA and UNIDO officials.

26. Working Party No. 2 set out to determine the priority areas and was made up of Mr. O. do Porto (Argentina), Mr. R. Jones (Barbados), Mr. J. Diaz (Cuba), Mr. L. Torres (Ecuador), Mr. A. López Cruz (Mexico) and Mr. J. Vértiz (Peru). The Working Party received the support and advice of FAO, OLDEPESCA and UNIDO officials.

27. At the end of its deliberations each Working Party submitted a report to the plenary session. The Co-ordinator of each Working Party submitted the report: Working Party No. 1 - Mr. Enrique Bertullo, Working Party No. 2 - Mr. Jorge Vértiz.

28. The Chairman submitted the conclusions and recommendations to the meeting; they gave rise to a wide-ranging discussion before being approved as included in this report, with an acknowledgement of the great efforts made by the members of both Working Parties.

29. Following the characterization of the problems affecting the region's fisheries and the identification of priority areas, the participants agreed on the important role of regional and international co-operation in fisheries development. The Director in charge of the UNIDO System of Consultations indicated the advisability for regional co-operation agencies, such as OLDEPESCA, to take part in the preparatory meeting for Africa, to be held in Dakar, in order to pass on their experience and knowledge to other regions. He also indicated that that meeting would be open to participants representing other agencies and, in general, to all countries of Latin America and the Caribbean.

30. On the same subject, Mr. Alonso López Cruz thought it advisable for OLDEPESCA to take up the co-operation work which had been done in the past by the West African Economic Community.

III. CLOSURE OF THE MEETING

31. When all the items on the agenda had been discussed, the Chairman closed the meeting, reiterating his appreciation of the hard work done by the sponsoring agencies and the participating experts in the fulfilment of its objectives. On behalf of UNIDO, the Director in charge of the UNIDO System of Consultations thanked the experts for their enthusiastic and fruitful participation.

Annex I

LIST OF PARTICIPANTS

Argentina

Oscar do Porto, consultant, Corrientes 2307 - 3° B, 7600 Mar del Plata.

Barbados

Ralph Jones, Chief Fisheries Officer, Fisheries Division, Ministry of Agriculture and Natural Resources, Bay Street, Bridgetown.

Chile

Luis Verderau P., Adviser, Under-Secretary's Office for Fisheries, Teatinos 120-11° piso, Santiago, Casilla 2803.

Cuba

Jorge Diaz A., Expert, Directorate of International Relations, Ministry of the Fisheries Industry, Ensenada de Potes y Ataré Luyano, Havana.

Dominican Republic

Gerardo Gutierrez, Chief of the Division of Bio-aquatic Resources, Dominican Institute of Industrial Technology (INDOTEC), José A. Soler, esquina Nuñez de Cáceres, Santo Domingo, Apartado Postal 329-2.

Ecuador

Luis Torres N., Chief of Technical Advisory Service, Under-Secretary's Office for Fisheries Resources, Ministry of Industry, V. M. Rendón 1006 -3er. piso, Guayaquil.

Mexico

Alonso Lopez C., Director General of International Fisheries Affairs, Ministry of Fisheries, Av. Alvaro Obregón 269, Mexico City, CP 06700.

Nicaragua

Luis Omar Arias, Director of Planning, Nicaraguan Fisheries Institute (INP), Km. 4, Carretera Sur, Managua.

Peru

Nelson Cardenas O., Deputy Minister, Ministry of Fisheries, Av. Paseo de la República 3103, Lima 27.

Isaac Dueñas, Director General of the Budget and Planning Office, Ministry of Fisheries, Av. Paseo de la República 3103 - 701, Lima 27.

Manuel Rossi B., Ministerial Adviser, Ministry of Fisheries, Av. Paseo de la República 3103, Lima 27.

Jorge Vértiz C., Adviser, Empresa Peruana de Servicios Pesqueros SA, Calle Las Tunas s/n - Edificio Los Recaudadores, Salamanca, Lima.

Uruguay

Enrique Bertullo, Director, Institute of Fisheries Research (IIP), Universidad de la República, 1160 Tomás Basañes, Montevideo.

Venezuela

Francisco Herrera-Terán, Director, National Directorate of Production and Control, Directorate General of Fisheries, Ministry of Agriculture and Stockbreeding, Parque Central - Torre Este - piso 10, Caracas.

United Nations agencies

United Nations Food and Agriculture Organization (FAO)

Héctor Lupin, Fisheries Industry Section (FII), Via delle Terme di Caracalla, 00100 Rome, Italy.

Intergovernmental organizations

Latin American Fisheries Development Organization (OLDEPESCA)

Juan José Cárdenas, Executive Director, Av. Aviación 2555-A, PO Box 10168, San Borja, Lima.

Alba Bustamante, Technical Co-ordinator, Executive Director's Office, Av. Aviación 2555-A, PO Box 10168, San Borja, Lima.

Angel Rivera, Technical Assistant, Executive Director's Office, Av. Aviación 2555-A, PO Box 10168, San Borja, Lima.

Inter-American Development Bank (IDB)

Carlos G. Menafra, Sectoral Expert, Paseo de la República 3245, Lima 27, Peru.

Observers

Canada

Attila Stersky, Fisheries Sector, Canadian International Development Agency, 200 Promenade du Portage, Hull, Quebec, Canada K1A0Q4.

France

J. Grandjeat, Commerce/Agriculture Section, French Embassy, Nicolás de Piérola 757, Lima 1, Peru.

Annex II

AGENDA

1. Opening of the meeting.

2. Approval of the agenda and organization of work.

3. Situation of the fisheries industry in Latin America:

   i. Presentation of the document on regional fisheries prepared by the UNIDO Consultant.

   ii. Presentation of the document prepared by the UNIDO Secretariat.

   iii. Presentation of the document prepared by OLDEPESCA.

   iv. Presentation of the participants' reports.

4. Discussion of the principal areas:

   i. Fisheries resources: potential - permissible catches - evaluation problems.

   ii. Catches: fishing fleet - harbour infrastructure - fishing equipment - fisheries technology - fishermen.

   iii. Processing: fish products (traditional and not traditional) - installed capacity - processing technology - manpower.

   iv. Aquaculture: aquaculture for export - aquaculture for domestic supplies.

   v. Foreign trade: products - volumes - prices - markets - quality - transport - tariff questions.

   vi. Domestic supplies: distribution infrastructure - marketing systems - prices - volumes - products.

   vii. Institutional aspects: State participation - private sector participation - industrial fishing and independent operator fishing - fisheries legislation.

   viii Regional co-operation and integration: horizontal co-operation - principal agencies operating in the region and their activities - OLDEPESCA.

5. Discussion and approval of the Final Report of the Consultation.

Annex III

LIST OF DOCUMENTS

Regional report on the fisheries industry in Latin America, by Oscar do Porto	UNIDO/PC.135
Factors in the analysis of constraints on the development of the fisheries industry in Latin America and the Caribbean	UNIDO/PC.138
Report on the fisheries situation in the region (OLDEPESCA)	---
The status of Barbados fisheries, by Ralph Jones	
Report on the fisheries industry in Chile, by Luis Verderau P.	
The fishing industry in Cuba, by Jorge Diaz A.	
The fishing industry in Ecuador, by Luis Torres Navarrete	
The Mexican fishing industry, by Alonso López Cruz	
The fisheries sector in Nicaragua, by the Nicaraguan Fisheries Institute (INPESCA)	
The fishing industry in Peru, by Benito Rossi Barrios	
Current state of the fisheries industry and development possibilities in the Dominican Republic, by Gerardo William Gutierrez and Zoila Gonzalez	
The situation of the Uruguayan fisheries industry, by E. Bertullo	
Report on the situation of the fisheries industry in Venezuela, by the National Directorate of Fisheries Production and Control, Venezuela	